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November 2012

# SECURITY ASSISTANCE

## DOD's Ongoing Reforms Address Some Challenges, but Additional Information Is Needed to Further Enhance Program Management



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Highlights of [GAO-13-84](#), a report to congressional committees

November 2012

## SECURITY ASSISTANCE

### DOD's Ongoing Reforms Address Some Challenges, but Additional Information Is Needed to Further Enhance Program Management

#### Why GAO Did This Study

Congress appropriated approximately \$18.8 billion in fiscal year 2012 for various security cooperation and assistance programs that supply military equipment and training to more than 100 partner countries. Amid concerns that traditional security assistance programs were too slow, Congress established several new programs in recent years. DSCA oversees the security assistance process, with key functions in agreement development, acquisition, and equipment delivery performed by U.S. military departments. DOD has undertaken a variety of management reforms since 2010 to improve the security assistance process. GAO assessed the extent to which (1) DOD reforms address implementation challenges faced by security cooperation officials and (2) DSCA performance measures indicate improvement in the timeliness of security assistance. GAO analyzed DOD data and performance measures, conducted focus groups and interviews with security cooperation officials at all six geographic combatant commands, and interviewed SCO staff for 17 countries.

#### What GAO Recommends

GAO recommends that the Secretary of Defense (1) establish procedures to ensure that DOD agencies enter needed acquisition and delivery status data into security assistance information systems and (2) establish performance measures to assess timeliness for additional phases of the security assistance process. DOD concurred with GAO's recommendations.

View [GAO-13-84](#). For more information, contact Charles Michael Johnson, Jr. at (202) 512-7331 or [johnsoncm@gao.gov](mailto:johnsoncm@gao.gov).

#### What GAO Found

Security cooperation officials report three major types of challenges—training and workforce structure, defining partner country requirements, and obtaining acquisition and delivery status information—in conducting assistance programs. Ongoing Department of Defense (DOD) reforms address challenges that DOD security cooperation officials reported in meeting staff training needs and achieving the optimum workforce structure. The Defense Security Cooperation Agency (DSCA) has also initiated efforts to respond to challenges in developing assistance requests resulting from the limited expertise of partner countries and U.S. Security Cooperation Organization (SCO) staff in identifying country assistance requirements and the equipment that can meet them. However, according to DOD security cooperation officials, information gaps in the acquisition and delivery phases of the security assistance process continue to hinder the effectiveness of U.S. assistance. Nearly all of GAO's focus groups and interviews reported persistent difficulties obtaining information on the status of security assistance acquisitions and deliveries because information systems are difficult to access and contain limited information. DOD's existing delivery tracking system provides only limited data on the status of equipment deliveries because partner country agents and DOD agencies are not entering the needed data into the system. Without advance notice of deliveries, SCO staff have been unable to ensure that addresses were correct and that partner countries were ready to receive and process deliveries, resulting in delays or increased costs. DOD is developing a new information system to address information gaps, but it is not expected to be fully implemented until 2020.

#### DSCA's Security Assistance Process



Source: GAO analysis of DSCA documents.

DSCA data indicate that DOD has improved timeliness in the initial phases of the security assistance process, but these data provide limited information on other phases. The average number of days spent developing a security assistance agreement has improved from an average of 124 days in fiscal year 2007 to 109 days in fiscal year 2011. However, assessing the timeliness of the whole security assistance process is difficult because DSCA has limited timeliness measures for later phases, which often comprise the most time-consuming activities. For example, DSCA has not established a performance measure to assess the timeliness of acquisition, which can take years. In addition, DSCA does not consistently measure delivery performance against estimated delivery dates. Without such performance measures, DSCA cannot assess historical trends or the extent to which reforms impact the timeliness of the security assistance process.

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## Abbreviations

BPC	building partner capacity
DOD	Department of Defense
DSCA	Defense Security Cooperation Agency
EFTS	Enhanced Freight Tracking System
FMF	Foreign Military Financing
FMS	Foreign Military Sales
SCO	Security Cooperation Organization

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United States Government Accountability Office  
Washington, DC 20548

November 16, 2012

Congressional Committees

U.S. national security is inextricably tied to the effectiveness of our efforts to help foreign partners and allies build their own security capacity. As part of these efforts, Congress appropriated \$18.75 billion<sup>1</sup> in fiscal year 2012 for various security cooperation and assistance programs that supply military equipment and training to more than 100 partner countries.<sup>2</sup> However, traditional security assistance programs such as Foreign Military Sales (FMS)<sup>3</sup> and Foreign Military Financing (FMF),<sup>4</sup> while beneficial, have been criticized as being too slow and cumbersome to meet needs for training and equipping foreign forces for counterinsurgency and counterterrorism operations. In recent years Congress has expanded the number of funding mechanisms and programs to build partner capacity. The Department of Defense's (DOD) Defense Security Cooperation Agency (DSCA) oversees program administration for both traditional and newer programs and has

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<sup>1</sup>See Table 1 for a summary of programs discussed in this report. This appropriated total does not include amounts that are authorized from other accounts for security assistance and cooperation programs, such as the Section 1206 program, Coalition Readiness Support Program, and Global Security Contingency Fund.

<sup>2</sup>According to DOD, security cooperation is the more encompassing term and includes security assistance as one of its components. "Security cooperation" consists of activities undertaken by DOD to encourage and enable international partners to work with the United States to achieve strategic objectives, including international armaments cooperation, security assistance activities, and provision of U.S. peacetime and contingency access to host nations. "Security assistance" refers to the group of programs by which the United States provides defense articles, military training, and other defense-related services in furtherance of national policies and objectives. See DOD Directive 5132.03, *DOD Policy and Responsibilities Relating to Security Cooperation*, October 24, 2008.

<sup>3</sup>Foreign partners using FMS purchase equipment and services using their own funds. The Arms Export Control Act of 1976 (as amended, 22 U.S.C. §§ 2751 et seq.) authorizes the sale of defense articles and defense services to eligible foreign countries under the FMS program. Although DOD implements FMS, the Secretary of State is responsible for the continuous supervision and general direction of security assistance programs, including FMS.

<sup>4</sup>FMF provides financial assistance in the form of credits or guarantees to U.S. allies to purchase military equipment, services, and training from the United States. Recipient countries can use the assistance to purchase items from the U.S. military departments through the FMS process or directly from private U.S. companies.

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undertaken a series of internal reform efforts to address concerns about the timeliness of security assistance. In addition, the Secretary of Defense convened a Security Cooperation Reform Task Force in fiscal year 2010, which made additional recommendations for reform.

In response to a Senate Armed Services Committee mandate<sup>5</sup> to review DSCA's program implementation processes, this report assesses the extent to which (1) DOD reforms address challenges that security cooperation officials face in implementing assistance programs and (2) DSCA performance measures indicate improvement in the timeliness of security assistance. While DOD and the Department of State (State) manage other U.S. security cooperation and assistance programs, our report addresses only those programs where DSCA plays a role.<sup>6</sup>

To identify ongoing and planned DOD security cooperation reforms, we reviewed a DOD task force report,<sup>7</sup> analyzed its recommendations, and discussed reform efforts with DSCA officials. To identify challenges that DOD officials face in implementing security cooperation programs, we convened focus groups and conducted interviews of security cooperation officials in all six geographic combatant commands.<sup>8</sup> We also conducted interviews with staff at Security Cooperation Organizations (SCOs) — DOD officials located in a foreign country who manage DOD security cooperation programs under the guidance of the combatant command—for 17 countries. We selected these countries based on geographic representation, the value of U.S.-funded security assistance the country

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<sup>5</sup>See S. Rep. No. 112-26 (June 22, 2011) accompanying S.1253, National Defense Authorization Act for Fiscal Year 2012.

<sup>6</sup>For example, DSCA implements a small portion of DOD's counternarcotics program and a portion of State's Peacekeeping Operations programs, for which \$383.8 million was appropriated in fiscal year 2012 in the Consolidated Appropriations Act, 2012 (Pub. L. No. 112-74), to provide assistance to enhance the capacity of foreign civilian security forces to participate in peacekeeping operations.

<sup>7</sup>DOD Security Cooperation Reform Task Force, Phase I Report, July 2011.

<sup>8</sup>The geographic combatant commands are the U.S. Northern Command, which includes North America and parts of the Caribbean, Southern Command (Central and South America, and parts of the Caribbean), European Command (Europe, Russia, Greenland, and Israel), Central Command (the Middle East and southwest Asia), Africa Command (Africa, excluding Egypt), and Pacific Command (the Pacific Ocean, East and South Asia, and Australia). Combatant commands may also be functional rather than geographic in nature, such as the Special Operations Command. For the purposes of this report, "combatant commands" refers only to the geographic combatant commands.

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received from 2006 to 2010, and other factors. We excluded International Military Education and Training in order to focus on equipment and equipment-associated training and because we had recently issued a report specifically assessing International Military Education and Training.<sup>9</sup> To assess the extent to which DSCA performance measures indicate improvement in the timeliness of security assistance, we reviewed DSCA performance measures and discussed them with DSCA officials and implementing agency officials. We reviewed the first three quarterly management reports of performance measures for fiscal year 2012 to assess the extent that DSCA has performance measures that can be used to assess timeliness. Where sample data permitted, we also analyzed DOD data to assess performance trends. Appendix I provides further details on our scope and methodology.

We conducted this performance audit from November 2011 through November 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

The United States provides military equipment and training to partner countries through a variety of programs. Foreign partners may pay the U.S. government to administer the acquisition of materiel and services on their behalf through the FMS program. The United States also provides grants to some foreign partners through the FMF program to fund the partner's purchase of materiel and services through the process used for FMS. In this report, we refer to FMS, FMF, and other State Department programs implemented by DOD as "traditional" security assistance programs. In recent years, Congress has expanded the number of security cooperation programs to include several new programs with funds appropriated to DOD, as well as administered and implemented by DOD, that focus on building partner capacity (BPC). See table 1 for descriptions of the BPC programs included in our report.

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<sup>9</sup>GAO, *International Military Education and Training: Agencies Should Emphasize Human Rights Training and Improve Evaluations*, GAO-12-123 (Washington, D.C.: October 2011).

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**Table 1: Summary of BPC Programs Administered by DSCA**

<b>Program and fiscal year established</b>	<b>Summary</b>
Afghanistan Security Forces Fund 2005	Funds appropriated to the Secretary of Defense to provide assistance to the security forces of Afghanistan, including for the training, equipping, and maintenance of Afghanistan's security forces.
Iraq Security Forces Fund 2005	Funds appropriated to the Secretary of Defense to provide assistance to the security forces of Iraq, including for the training, equipping, and maintenance of Iraq's security forces.
Coalition Support Fund 2002	The Coalition Support Fund's Coalition Readiness Support Program is used to provide specialized training, procure supplies and specialized equipment, and loan such equipment and supplies on a nonreimbursable basis to coalition forces supporting U.S. military operations in Afghanistan.
Section 1206 Global Train and Equip 2006	Authorizes the Secretary of Defense to use up to \$350 million each year, with the concurrence of the Secretary of State, to build the capacity of foreign military forces of a country in order for that country to conduct counterterrorist operations or to support military and stability operations in which the U.S. armed forces are a participant.
Pakistan Counterinsurgency Fund / Pakistan Counterinsurgency Capability Fund 2009	The Pakistan Counterinsurgency Fund is appropriated to the Secretary of Defense. The Pakistan Counterinsurgency Capability Fund is appropriated to the Secretary of State but may be transferred to the Secretary of Defense. Both funds provide assistance for Pakistan's security forces to bolster their counterinsurgency efforts.
Global Security Contingency Fund 2012	The Global Security Contingency Fund provides assistance to enhance the capabilities of a foreign country's military and security forces to conduct border and maritime security, internal defense, and counterterrorism operations; and participate in or support military, stability, or peace support operations consistent with U.S. foreign policy and national security interests.

Sources: GAO analysis of public laws and DOD documents.

DSCA oversees program administration for both traditional programs and newer BPC programs. DSCA establishes security assistance procedures and systems, provides training, and guides the activities of implementing agencies.<sup>10</sup> Implementing agencies of the military departments—the Army, Navy, and Air Force—are responsible for preparing, processing,

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<sup>10</sup>To recover the cost of administering FMS, DOD applies a surcharge to each FMS agreement. As of November 1, 2012, the surcharge was 3.5 percent of the value of the sale.

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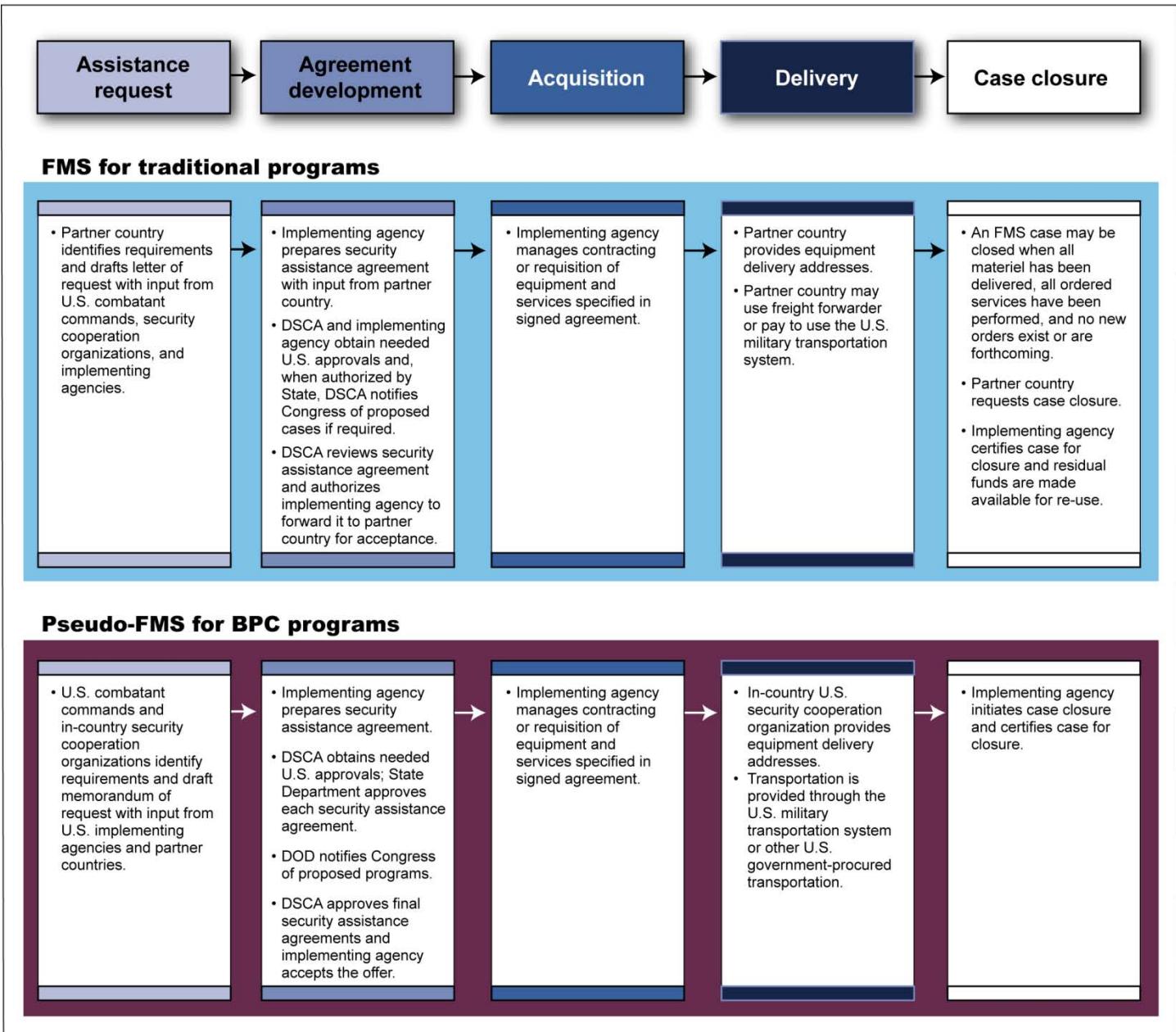
and executing the vast majority of security assistance agreements.<sup>11</sup> While these implementing agencies maintain their own unique systems and procedures, DSCA provides overall guidance through the *Security Assistance Management Manual* and associated policy memos. DSCA provides education and training to security cooperation officials through its Defense Institute of Security Assistance Management.

Both the traditional and BPC programs that DSCA administers use the FMS process to provide security assistance, but, as shown in figure 1, some roles, responsibilities, and actors differ. In contrast to traditional programs, under the BPC programs, the United States consults with the partner country, but takes lead in identifying partner requirements and funds, obtains, and delivers equipment on the partner's behalf. The form of the FMS process used to implement BPC programs is referred to as the "pseudo-FMS" process. While the many steps of the FMS and pseudo-FMS processes can be grouped in different ways, they fall into five general phases: assistance request, agreement development, acquisition, delivery, and case closure. See figure 1 for a summary of selected entities and their roles in these phases of the FMS and pseudo-FMS processes.

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<sup>11</sup>The lead agencies within the military departments are the Deputy Assistant Secretary of the Army for Defense Exports and Cooperation, Navy International Programs Office, and the Air Force Deputy Under Secretary for International Affairs. Additional implementing agencies include the Missile Defense Agency, National Security Agency, and Defense Logistics Agency.

**Figure 1: Acting Entities and Steps in FMS and Pseudo-FMS Processes**



Source: GAO analysis of DSCA documents.

Note: This summary of the FMS and pseudo-FMS processes does not encompass all steps and actors that may be involved, such as technology releasability reviews that may be required for sensitive equipment.

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- *Assistance Request.* During the assistance request phase, in traditional FMS, the partner country identifies its requirements (needed materiel or services) and documents them in a formal letter of request. Implementing agencies as well as SCOs and officials at DOD's six geographic combatant commands may provide input to the assistance request. In the pseudo-FMS process, SCOs and combatant commands consult with partner countries and take the lead in identifying partner country requirements and drafting the request, sometimes with input from the partner country.
  - *Agreement Development.* During the agreement development phase, the implementing agency enters the letter of request<sup>12</sup> into the Defense Security Assistance Management System, a DSCA information system used by all implementing agencies to process letters of request and produce security assistance agreements. DSCA reviews the draft agreement and coordinates with the State Department before sending any congressional notifications that, for the traditional FMS process, may be required based on the dollar value or sensitivity of the potential sale but for pseudo-FMS are required for all programs. When approvals are in place, DSCA conducts a final quality assurance review and State performs a final review. In traditional FMS, DSCA authorizes the implementing agency to send the agreement to the partner country for acceptance; in the pseudo-FMS process, the implementing agency accepts the agreement on behalf of the combatant command.
  - *Acquisition.* During the acquisition phase, implementing agencies requisition from existing supply or procure equipment and services using the same procedures they use to supply the U.S. military. The process is the same for both FMS and pseudo-FMS. Case managers at implementing agencies monitor acquisitions and enter status information into their data systems. Unlike the single information system used to develop agreements, the information systems used in the acquisition phase are not common across implementing agencies. However, DSCA has created a web-based overlay, the Security Cooperation Information Portal, which imports some of the information available in implementing agency data systems and is accessible over the Internet by security cooperation and partner country officials.

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<sup>12</sup>In pseudo-FMS, the letter of request is referred to as a memorandum of request.

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- *Delivery.* In the traditional FMS process, the partner country takes custody of materiel in the United States and is responsible for arranging delivery. The partner country may pay to use the U.S. military transportation system, but often uses its own freight forwarder—an authorized agent responsible for managing shipment to the final destination. If shipments are incomplete or otherwise deficient, the partner country may file a supply discrepancy report to seek redress. All BPC program shipments use the U.S. military transportation system or other U.S. government-procured transportation, with the SCO responsible for providing the delivery address, ensuring foreign customs requirements can be met, jointly checking shipments for completeness with the partner country, and preparing any needed supply discrepancy reports. Implementing agencies are responsible for conducting BPC deliveries and confirming that SCOs are ready to receive a planned delivery. For both FMS and pseudo-FMS processes, DOD uses the Enhanced Freight Tracking System (EFTS), a secure web-based application accessible within the Security Cooperation Information Portal designed to provide visibility of the security assistance distribution system.
  - *Case Closure.* An FMS case is a candidate for closure when all materiel has been delivered, all ordered services have been performed, no new orders exist or are forthcoming, and the partner has not requested the case be kept open. At case closure, any remaining case funds may be made available to the country for further use. Pseudo-FMS cases may be submitted for closure as soon as supply and services are complete.

DOD has undertaken internal improvement efforts designed to address challenges in implementing security cooperation and security assistance programs and improving timeliness of U.S. efforts. DSCA has also undertaken improvements recommended by its internal improvement program, begun in 2008, which has reviewed DSCA and implementing agency processes.<sup>13</sup> In fiscal year 2010, the Secretary of Defense initiated a comprehensive review of DOD's internal processes. The results of the task force review led to recommendations focusing on areas

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<sup>13</sup>DSCA conducts a quarterly forum where senior officials from DSCA, industry associations, partner nation groups, military departments, and others in DOD discuss issues in security assistance management, propose improvements, and present and review performance data.

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for improvement including: identification of partner requirements; acquisition and transportation; and training, education, and workforce development. DOD and DSCA have initiated a variety of efforts to implement the recommendations, and a follow-up task force report describes the status of action on the recommendations. In focus groups we conducted in 2012 at all six combatant commands<sup>14</sup> and interviews with the officials at SCOs in 17 countries, security cooperation officials reported three types of challenges: (1) optimizing training and workforce structure, (2) defining partner country requirements, and (3) obtaining information on the acquisition and delivery status of assistance agreements.

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## DOD Reforms Address Many Challenges, but More Comprehensive Acquisition and Delivery Information Is Needed

DSCA has undertaken reforms to address challenges associated with (1) training and workforce structure, (2) defining partner country requirements, and (3) obtaining information on the acquisition and delivery status of assistance agreements.<sup>15</sup> While ongoing reforms are addressing the first two challenges in the short term, reforms to address information system gaps are more long-term focused and are expected to take years to complete.

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<sup>14</sup>See app. I for a description of focus group methodology. We conducted focus groups at five of the combatant commands and an interview at Northern Command due to the small number of countries and officials involved in security cooperation at the command. This interview used the same questions and we used the same method of analysis for the results as for the focus groups at the other combatant commands. For the purposes of the report we refer to focus groups at all six combatant commands.

<sup>15</sup>See app. II for a complete list of challenges identified by two or more combatant commands and within DOD's purview. For the purposes of this report, we focused on those challenges which lie within DOD's purview and did not address those challenges identified as beyond DOD's control, such as delays in partner country decisionmaking and approvals. SCOs and focus groups also reported that they perceive delays in implementation due to slowness of State Department approval of funding and the time required for State Department and congressional reviews and notifications.

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## DOD Reforms Are Addressing Training and Workforce Challenges

Security cooperation officials reported that the existing training and workforce structure presented a challenge to successfully implementing security assistance. Specifically, focus groups at four of the six combatant commands indicated that training or staffing of SCOs was insufficient, limiting SCO effectiveness as they develop assistance requests, build relationships in-country, and track assistance agreements through to delivery. These focus group participants and officials at the SCOs and military departments reported that they felt a number of changes were needed, such as including more training on newer security cooperation authorities, providing additional refresher courses, and ensuring that security cooperation officers meet with their military department points of contact as part of their predeployment training for their SCO assignments. In addition, according to focus groups and interviews we conducted with SCOs, SCOs were insufficiently staffed or rotations in the field were not long enough. For example, some SCOs reported having only one security cooperation officer, and rotations sometimes lasted only 1 year, which was often less than the cycle time to develop and execute a security assistance agreement. Focus group participants said a lack of institutional memory in these SCOs created challenges for new officers who must assume responsibility for ongoing security cooperation efforts.

DSCA has initiated a number of reforms designed to address training and workforce structure challenges previously identified by DOD and raised again during our focus groups and interviews. DOD recognized the need for improved training and workforce management as early as 2009, when the Deputy Secretary of Defense included efforts to improve security cooperation training in his top 10 Office of Management and Budget high-priority performance goals for 2010 and 2011. DSCA is developing several courses to address reported gaps in knowledge and to increase the percentage of the security cooperation workforce that receives training. For example, the Deputy Secretary of Defense declared in 2009 that DSCA must plan to educate 95 percent of the security cooperation workforce by the end of fiscal year 2011. As of September 2012, DSCA has consistently reported that this goal has been met or exceeded since it was first achieved in June 2011. DSCA and the Defense Institute of Security Assistance Management are currently identifying key positions in the security cooperation community and developing improved procedures to help ensure the selection of well-qualified candidates for those positions.

In addition to monitoring the percentage of people trained, DOD has reforms underway to address concerns about the content of the training for, and the staffing of, security cooperation positions. In 2011, DOD's

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Defense Institute of Security Assistance Management began expanding a required course for DOD personnel responsible for security assistance and security cooperation management in overseas positions such as at SCOs, combatant commands, and Defense Attaché Offices. Furthermore, the course now includes information that security cooperation personnel identified as important, such as a section on BPC programs. As of September 2012, the Institute reported that students found the initial expansion of the required course better covered the planning and execution of the wide variety of security cooperation programs. The course changes are now complete and, beginning in October 2012, the Institute plans to offer the final expanded course. As a result of changes to this course, security cooperation officers are now able to meet—in person and by video-teleconference—with the DOD points of contact they will work with to implement security cooperation programs once they are in the field. In addition, these new course offerings introduce the topic of security cooperation to U.S. government officials who interact with partner countries but do not necessarily work on security cooperation programs.

In addition to improvements to course offerings, DSCA has created additional resources for security cooperation officials. In April 2012, DSCA added a new chapter devoted specifically to building partner capacity to the *Security Assistance Management Manual*. DSCA and the Office of the Secretary of Defense for Policy have created a tool kit which provides points of contact and implementation guidance for each assistance program. Mandatory training for security cooperation officers includes a review of this tool kit.

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### DOD Reforms Are Responding to Challenges Defining Partner Country Requirements

Focus group participants in five of six combatant commands and officials at 9 of the 17 SCOs noted challenges in identifying and defining partner country assistance requirements.<sup>16</sup> These officials noted that partner countries did not have enough experience or expertise to identify their requirements or develop an assistance request that DOD can act upon. Further, focus groups at four of the six combatant commands reported that SCOs lacked the experience or capacity necessary to identify equipment to match the partner country's requirements. For example,

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<sup>16</sup>These challenges are consistent with the 2011 DOD security cooperation reform task force findings, which reported that “not all U.S. allies and partners possess the institutions, training, and equipment required to tackle the security challenges facing them, or to cooperate viably with U.S. forces in a coalition or multinational operating environment.”

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officials in two focus groups reported that some SCOs lacked staff with expertise to develop either traditional or BPC assistance requests.

Since 2009, DOD has initiated reforms to improve the process of developing assistance requests intended to reduce implementation delays and improve the effectiveness of assistance to partner countries. DOD reforms include developing new training courses and providing in-country advisors to help country officials identify short-term and long-term requirements and strategies to meet those requirements. DOD has also reformed its own processes for defining requirements to improve long-term effectiveness of security cooperation programs and provide short-term solutions for meeting requirements using assistance requests. For example, beginning in 2011, DOD issued new policies and guidance to help combatant commands and implementing agencies plan for, and better develop, security assistance requests. Also in 2011, DSCA established a strategic planning support group to assist combatant commands with early identification and resolution of issues related to capability requirements and certain types of assistance requests. In addition, DSCA established Expeditionary Requirements Generation Teams whose purpose is to help the combatant commands, partner countries, and security cooperation officers identify and refine a partner country's requirements. These teams are available for both traditional and BPC programs upon request by combatant commands. DSCA noted that these teams would be particularly useful when a security cooperation officer lacks experience or familiarity with the type of equipment in question. DSCA provided pilot teams for Bulgaria, Iraq, and Uzbekistan and, after the pilot was determined to be successful, sent teams to assist Armenia, the Philippines, and again Iraq. The pilot teams produced 34 assistance letters of request, including some for FMF programs.

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**DOD Efforts Underway Will Not Provide Comprehensive Information on Acquisition and Delivery Status until 2020**

DOD officials participating in focus groups at all six combatant commands and officials at 16 of the 17 SCOs we interviewed reported difficulties obtaining information from DSCA and the implementing agencies of the military departments—the Army, Navy, and Air Force—on the status of assistance agreements throughout the security assistance process. These officials reported that obtaining information on acquisition and delivery status was particularly problematic. According to DSCA's *Security Assistance Management Manual*, in order to facilitate information sharing regarding assistance agreement status, the implementing

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agencies must communicate frequently with DSCA, the combatant commands, and the security cooperation officers, as well as with other entities involved in executing security assistance programs.<sup>17</sup> However, focus group participants at the commands and the security cooperation officers we interviewed reported a number of problems obtaining the information they need in order to implement security assistance programs throughout the process. Specifically, they reported that:

- DSCA and implementing agency information systems were difficult to access;
- implementing agency information systems often did not contain current information;
- these systems often did not contain the specific type of information the officials needed;
- implementing agencies generally did not proactively provide the information that was available;
- shipping documentation was often missing or inadequate; and
- deliveries arrived when the SCOs did not expect them.

Security cooperation officials we interviewed reported examples of this lack of information delaying assistance, increasing costs, or negatively affecting their ability to keep partner countries and senior officers at the combatant commands informed about the progress of the assistance agreements. For example, security cooperation officers at four SCOs reported that equipment was held by the partner country's customs agency because the delivery lacked proper documentation or proper address labels, and additional customs fees were incurred while the security cooperation officers found the missing information. Security cooperation officers in two SCOs noted instances where shipments were warehoused in a customs office for 2 years because they had no

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<sup>17</sup>The manual uses many terms to describe the entities involved in the security assistance process. In this instance, the manual mentions the implementing agencies must communicate frequently with a list of entities, one of which is the "requesting authority." It also states that the combatant commands often perform the role of the requesting authority within DOD. For the purpose of this report, we will refer to the requesting authority as the combatant commands. See DSCA 5105.38-M at C15.1.3.8 and C15.1.3.6.

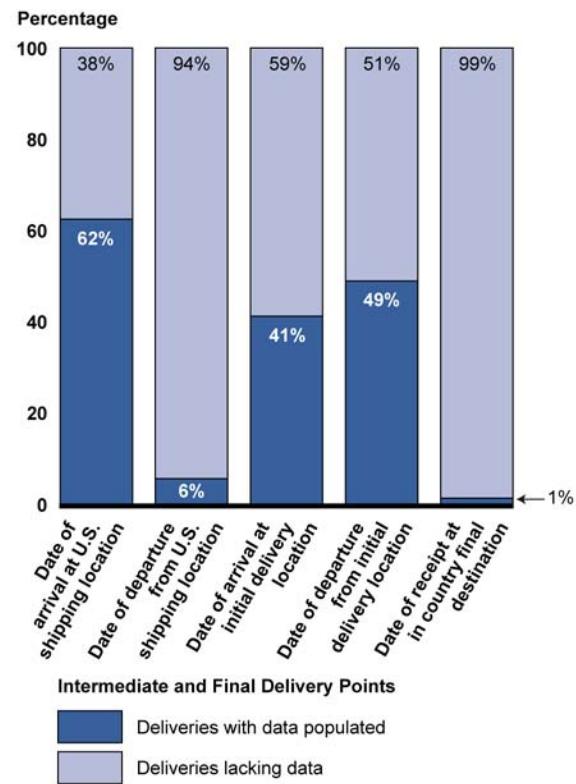
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addresses or were improperly addressed. Security cooperation officers in three SCO reported discovering equipment at ports and airports that had arrived without advance notice.

In addition to receiving reports of challenges encountered by officials using the various DOD information systems, we analyzed the extent to which data were available in the delivery tracking information system. DOD has created an information system intended to provide a single, consolidated, authoritative source for security assistance shipment information tracking. However, we found that DOD is not ensuring that entities charged with carrying out deliveries are fully providing data for this system. The *Security Assistance Management Manual* recommends that SCOs use the EFTS to maintain awareness of incoming shipments to the partner country when the items are shipped using the U.S. Defense Transportation System. EFTS, accessible through the Security Cooperation Information Portal, collects, processes, and integrates transportation information generated by the military services, Defense Logistics Agency, the U.S. Transportation Command, participating carriers, freight forwarders, and partner countries—all of which can play a role in the equipment delivery process and in populating the information systems.

However, EFTS is not currently populated with sufficient information to provide transit visibility. The system currently provides information regarding when cargo leaves the supply source for most security assistance deliveries, but we found that information availability decreases as deliveries transit through intermediate points and on to final destinations. EFTS provides limited information documenting, for example, the date a shipment departs the United States and arrives at a port in the recipient country. In addition, the system documents about 1 percent of the dates that equipment arrived at the in-country final destination. Figure 2 provides percentages of fields in EFTS for which participating entities provided data, based on a sample of FMF deliveries, for fiscal years 2007-2011.

**Figure 2: Percentage of Intermediate and Final Delivery Points Containing Data for Sample Deliveries Originating in Fiscal Years 2007-2011**



Source: GAO analysis of DSCA data.

The lack of data in EFTS is caused by inconsistent participation by the entities executing deliveries, which need to provide the data that would populate the system. Equipment deliveries for traditional security assistance programs are often executed by partner country freight forwarders. According to DOD officials, some freight forwarders have been reluctant to participate in EFTS and must be directed by the partner country to do so, possibly requiring a change to the freight forwarder's contract with the partner country. Although DSCA can issue guidance to freight forwarders, according to DSCA officials, it has no authority to require them to follow the guidance. The 2008 DSCA memo announcing the introduction of EFTS notes that the success of the program relies greatly on the participation of partner countries and their freight forwarders, and DSCA officials have since discussed ways to encourage freight forwarders to participate in the EFTS system and report final

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shipments. DSCA officials have acknowledged that there is still work to be done to address challenges in implementing EFTS.

DOD has reforms underway for additional information systems to address the lack of information across the process. In an effort to develop more complete, comparable, and detailed data on security assistance agreement execution, DSCA is developing a new electronic system, the Security Cooperation Enterprise Solution, to aggregate data from the separate computer management systems used by DOD's implementing agencies and standardize the handling of security assistance agreements regardless of the assigned military service. The system is intended to improve visibility on the acquisition and later phases of the security assistance process. Agency leaders have noted that the Army's Security Assistance Enterprise Management Resource system has already contributed to significantly increased management visibility across the entire security assistance process for Army-implemented assistance agreements and will bolster efforts to make similar management tools available across implementing agencies, particularly once incorporated into the Security Cooperation Enterprise Solution.

The Security Cooperation Enterprise Solution is intended to be a long-term solution to information management challenges. DSCA officials expect to provide the system to one of the implementing agencies in 2015 and plan to complete system implementation in 2020, when the remaining two implementing agencies will have access to the system. DSCA has also initiated reforms intended to increase visibility for specific phases of the process. For example, in 2010, DSCA undertook an effort to improve the quality of the documentation included with each shipment. As a result, the Defense Institute of Security Assistance Management issued a training guide in 2012 to improve the accuracy of addresses on shipments. Furthermore, to address problems with the agreement development phase, DSCA is working with the Defense Contracting Management Agency to develop a way to make contract information available to FMS customers via the Security Cooperation Information Portal. The stated goal is to allow customers to search for the information as well as to create reports containing contract information that can be sent to a range of FMS customers. The training and workforce structure reforms discussed earlier may also address some of the reported challenges regarding information accessibility.

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## DSCA Data Indicate Improved Timeliness in the Initial Phases of the Security Assistance Process, but Provide Limited Information on Other Phases

### DSCA Collects Information from Implementing Agencies to Monitor Performance across the Security Assistance Process

DSCA has collected data that show improved timeliness in processing security assistance requests and developing security assistance agreements. However, assessing the timeliness of the entire security assistance process is difficult, because DSCA lacks timeliness performance measures for the other phases and for the overall process.<sup>18</sup> For example, the agency does not measure the timeliness of assistance acquisition, delivery, and case closure, which usually comprise the most time-consuming activities.

According to *Standards for Internal Control in the Federal Government*, U.S. agencies should monitor and assess the quality of performance over time.<sup>19</sup> Furthermore, the Government Performance and Results Act of 1993, as amended, requires agencies to develop performance measures, monitor progress on achieving goals, and report on their progress in their annual performance reports.<sup>20</sup> Our previous work has noted that the lack of clear, measurable goals makes it difficult for program managers and staff to link their day-to-day efforts to achieving the agency's intended mission.<sup>21</sup>

DSCA has access to many security assistance management systems that implementing agencies use and maintain to manage the security assistance process. DSCA routinely extracts selected information from these systems to oversee the process and has established some performance measures to assess timeliness in various phases.

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<sup>18</sup>We have previously commented on DSCA's limited ability to obtain information to effectively administer and oversee the security assistance process in GAO, *Defense Exports: Foreign Military Sales Program Needs Better Controls for Exported Items and Information for Oversight*, GAO-09-454 (Washington, D.C.: May 2009).

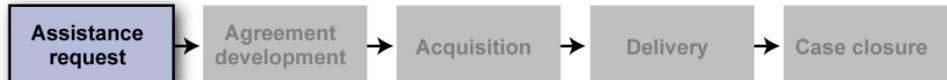
<sup>19</sup>GAO, *Standards for Internal Control in the Federal Government*, GAO/AIMD-00-21.3.1 (Washington, D.C.: November 1999).

<sup>20</sup>Pub. L. No. 103-62, as amended by the Government Performance and Results Act (GPRA) Modernization Act of 2010, Pub. L. No.111-352.

<sup>21</sup>GAO, *Results-Oriented Government: GPRA Has Established a Solid Foundation for Achieving Greater Results*, GAO-04-38 (Washington, D.C.: Mar. 10, 2004).

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## DOD Has Improved Request Processing Time, but DSCA Cannot Measure All Time Spent Developing Assistance Requests



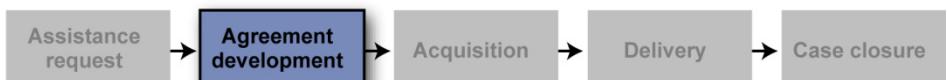
Source: GAO analysis of DSCA documents.

DSCA data indicate improvements in the timeliness of assistance request processing. In the assistance request phase, DSCA measures the number of security assistance requests and the time spent processing them after they are received. DSCA measures processing time as the number of days from the time a request is formally received until it is “complete,” or ready for the agreement development phase. According to DSCA data, the number of days necessary for processing assistance requests once they are formally received has improved from about 22 days in fiscal year 2008 to about 13 days in fiscal year 2011.

While DOD has improved its response to the formal request, a partner country or combatant command’s perspective of the time required to develop security assistance requests may be different from the portion of that time under the oversight of DSCA. A significant amount of time devoted to the development of assistance requests takes place before the customer submits an assistance request to an implementing agency or DSCA. For example, U.S. officials such as combatant command and SCO staff as well as experts on relevant defense equipment may work intensively with partner country officials before the request is officially submitted.

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## DOD Has Improved the Timeliness of Agreement Development



Source: GAO analysis of DSCA documents.

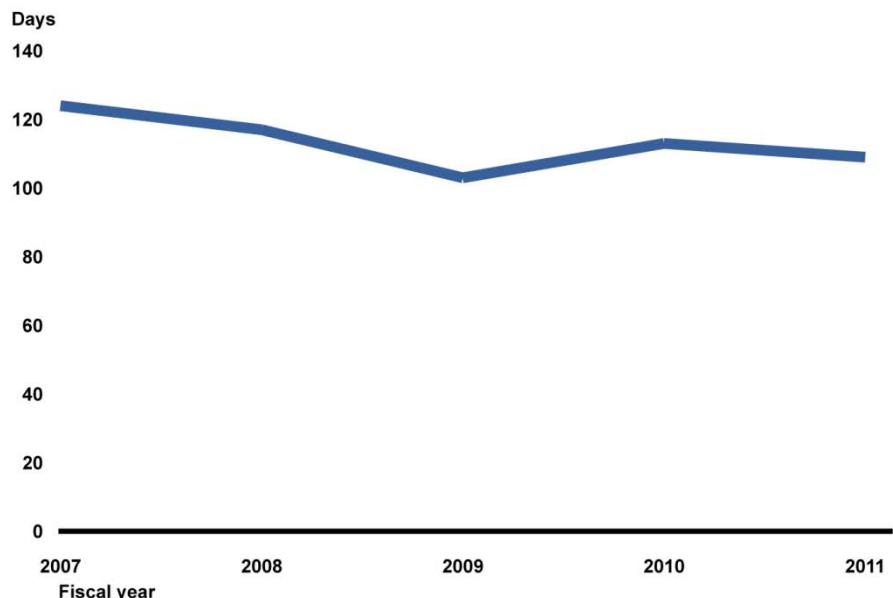
DSCA data show that implementing agencies have reduced the time spent during the agreement development phase of the security assistance process. DSCA uses a single data system to collect detailed information from implementing agencies on the time required to develop security assistance agreements.<sup>22</sup> This information allows common

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<sup>22</sup>Information regarding key security assistance milestones is collected in the Defense Security Assistance Management System.

performance measurement that provides a basis for focused reforms to reduce process times in this phase. Aggregate DSCA data for all agreements indicate a reduction in the average, or mean, number of days for an assistance agreement to be fully developed and offered to partner countries from 124 days in fiscal year 2007 to 109 days in fiscal year 2011, with a fiscal year 2009 low of 103 days (see fig. 3).

**Figure 3: Average Days Spent in Agreement Development (FY2007-FY2011)**



Source: GAO analysis of DSCA data.

In addition, sample DSCA data we analyzed indicate that agreement development is faster for BPC programs than the traditional FMF security assistance program for the 17 countries in our sample.<sup>23</sup> During fiscal years 2007 through 2011, FMF security assistance agreement development for our 17 sample countries took an average of 89 days, whereas agreement development for BPC programs in sample countries other than Iraq and Afghanistan took an average of 76 days. Agreement

<sup>23</sup>We analyzed data on agreement development performance for DSCA-administered BPC and traditional FMF security assistance programs for a judgmental sample of 17 countries. See app. I for more details.

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development for BPC assistance projects in Afghanistan and Iraq was faster still—36 days on average. See table 2.

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**Table 2: Average Days for Agreement Development for Sample Afghanistan and Iraq BPC, Other BPC, and FMF Programs (Fiscal Years 2007-2011)**

Program	Average number of days
Afghanistan- and Iraq-related BPC program agreements	36
Other BPC program agreements	76
Traditional (FMF) program agreements	89

Source: GAO analysis of DSCA data

DOD officials we interviewed suggested several factors that may be contributing to the faster agreement development time for Afghanistan, Iraq, and other BPC programs in our sample. For example, funding for BPC programs may need to be obligated more quickly than traditional security assistance funding;<sup>24</sup> intensive management offices for Afghanistan and Iraq help expedite agreement development for those partner countries; and DOD's combatant command for the region including Iraq and Afghanistan has created a task force to enhance communication of command priorities. Furthermore, our analysis of sample data did not indicate that the improved timeliness in developing BPC security assistance agreements decreased the timeliness of developing FMF agreements for our sample countries. We found that the time spent developing FMF agreements in our selected countries decreased slightly from over 100 days in fiscal year 2007 to less than 90 days in fiscal year 2011.<sup>25</sup>

Despite reducing the time spent in the agreement development phase, implementing agencies have not consistently met DSCA's established timeliness goal. In 2010, DSCA defined this goal as providing security assistance agreements to customers on or before the anticipated offer date for at least 85 percent of agreements. The anticipated offer date is

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<sup>24</sup>Several BPC programs are funded with appropriations that are generally available for obligation only 1 or 2 years, so the funds must be obligated within a shorter timeframe. Funds for traditional FMF programs do not have such time constraints.

<sup>25</sup>The results of our analysis may differ from overall DSCA timeliness metrics due to factors such as the type of equipment and training requested by sample partner countries and the quality of the assistance requests submitted.

the target date by which the implementing agency is to complete agreement development and offer the agreement for acceptance.<sup>26</sup> As shown in table 3, DSCA data indicate that in fiscal year 2011, implementing agencies met DSCA's timeliness goal for BPC agreements, 88 percent of which were completed by the anticipated offer date. For traditional agreements, the implementing agencies fell short of this goal, regardless of the complexity of the agreement.

**Table 3: On-time Completion of Security Assistance Agreements by Type, Fiscal Year 2011**

Agreement type		Time allotted to complete agreement	Percentage of agreements completed on time <i>Target: 85 percent</i>
Traditional (in order of complexity)	Group A	75 days	80 percent
	Group B	120 days	72 percent
	Group C	>121 days	64 percent
BPC	Group D	75 days	88 percent

Source: GAO analysis of DSCA data

## DSCA Does Not Measure Acquisition Timeliness



Source: GAO analysis of DSCA documents.

In the acquisition phase of the security assistance process, DSCA has not established performance measures to assess timeliness of acquisitions, which are carried out by the implementing agencies. This phase, from when implementing agencies begin to make acquisitions needed for finalized security assistance agreements until such activities are completed and equipment is ready to ship, is often the longest phase of the process. DSCA data indicate that acquisitions that required DOD to award a contract in fiscal year 2011 took between 376 and 1,085 days, but there are limited common data sources across implementing agencies.

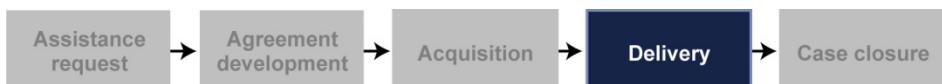
<sup>26</sup>Implementing agencies use DSCA policy guidance to assign an anticipated offer date to each agreement depending on its type and complexity.

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for assessing acquisition performance and documenting trends.<sup>27</sup> DOD's implementing agencies manage acquisitions with several unique electronic systems, each of which allows for various status updates and reporting.<sup>28</sup> However, we have previously reported that although the systems may provide performance information within each implementing agency, the information is not comparable across agencies, thus reducing its value to DSCA for overall oversight.<sup>29</sup> DSCA plans for the Security Cooperation Enterprise Solution to include information from all implementing agencies and improve DSCA's ability to monitor acquisition activities across agencies. This new system is intended to be fully implemented in 2020.

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## DSCA Does Not Measure Delivery Timeliness



Source: GAO analysis of DSCA documents.

DSCA does not measure the timeliness of all security assistance deliveries. Furthermore, DSCA does not consistently record either the original target delivery dates or the actual delivery dates required to determine delivery timeliness. DSCA monitors and reports one timeliness target that is common across implementing agencies. According to this target, estimated delivery dates for major assistance items, established by implementing agencies, should be met for 95 percent or more of these cases.<sup>30</sup> However, the usefulness of this measure for assessing or noting

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<sup>27</sup>As opposed to agreements that require awarding a contract, the time to provide items from DOD stock is typically between 40 days and 8 months. Furthermore, according to DSCA officials, acquisition activities for BPC programs can also be faster than the overall average, but DSCA does not have data on acquisition time specific to BPC programs.

<sup>28</sup>The Army has recently developed the Security Assistance Enterprise Management Resource which is currently focused on tracking security assistance case performance for Iraq, Pakistan, Afghanistan, and coalition partners, but the Army plans to expand this tool to allow for the tracking of all security assistance cases in both agreement development and execution phases.

<sup>29</sup>GAO, *Defense Exports: Foreign Military Sales Program Needs Better Controls for Exported Items and Information for Oversight*, GAO-09-454 (Washington, D.C.: May 2009).

<sup>30</sup>Definitions of "major" vary by implementing agency, but generally reflect the relative size of the sale or sensitivity of the equipment.

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improvement in performance is limited. First, it does not cover all security assistance agreements. Rather, it is used only for major equipment items and excludes all BPC deliveries. Second, estimated delivery dates may be extended in some circumstances. For example, DSCA officials have noted that implementing agencies frequently change these dates when it is determined that the original commitments cannot be met. Therefore, the measure monitors timeliness against the most recently updated estimated delivery date, not the original date.

The Security Cooperation Information Portal includes a data field for an estimated date by which all security assistance materiel and services contained in an agreement are envisioned to be delivered, as well as a field for the actual date. Implementing agencies update the estimated date when schedules change, rather than maintaining the original date. Furthermore, while DSCA cannot compel partner nations to provide actual receipt information for all traditional security assistance deliveries, and U.S. SCO staff are required to record the actual receipt date of BPC deliveries, they rarely do.<sup>31</sup> As a result, DSCA does not always have information regarding the actual receipt dates of security assistance deliveries. Without original estimated delivery dates and actual delivery receipt dates, DSCA cannot fully assess the timeliness of deliveries. Furthermore, DSCA cannot assess historical delivery timeliness performance to identify challenges to be addressed or report improvements achieved through reform efforts.

Learning that there is a problem with equipment that has been delivered is often the only indication of delivery DSCA receives from partner countries that use freight forwarders. If a partner country identifies delivery errors, such as equipment that is missing or damaged upon receipt, it may file a supply discrepancy report to request restitution. It is then the implementing agencies' responsibility, along with the DOD or commercial source of the item in question, to address the complaints. DSCA does have a performance measure related to adjudication of supply discrepancy reports—the number of reports that have not been

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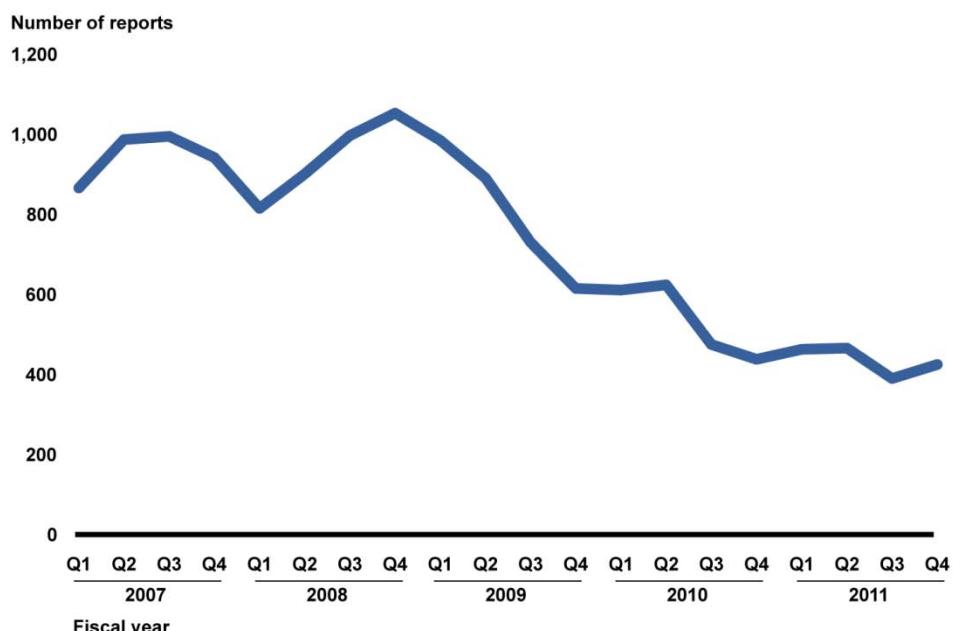
<sup>31</sup>We have previously reported that weaknesses in the security assistance shipment verification process leave security assistance articles vulnerable to loss, diversion, or misuse. GAO, *Defense Exports: Foreign Military Sales Program Needs Better Controls for Exported Items and Information for Oversight*, GAO-09-454 (Washington, D.C.: May 2009).

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addressed within 1 year.<sup>32</sup> According to DSCA data, DSCA has reduced the number of reports that have taken more than 1 year to address, as shown in figure 4.

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**Figure 4: Open Supply Discrepancy Reports Greater than 1 Year Old, Fiscal Years 2007-2011**



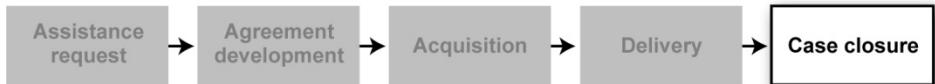
Source: GAO analysis of DSCA data.

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<sup>32</sup>While DSCA notes improved performance in resolving customer-identified equipment delivery problems, DSCA does not track the frequency with which delivery problems arise. Data reported at the August 2010 session of DSCA's quarterly management forum noted that supply discrepancy reports had been submitted for only 1.8 percent of total shipments in the previous 5 years. A suggestion to institute a performance measure noting the proportion of DSCA shipments that generate supply discrepancy reports had been proposed to the forum as early as 2007, but had not been implemented.

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## DSCA Does Not Measure Timeliness of Case Closure



Source: GAO analysis of DSCA documents.

DSCA does not measure the time required to close a case—the last phase of the security assistance process—and therefore cannot assess the extent to which closures are performed in a timely fashion. Closing inactive security assistance cases allows residual funds associated with those projects to be re-purposed. Officials from the U.S. Africa Command noted that even relatively small amounts of residual funds can be very helpful to some partner countries. Focus group participants at five of six combatant commands noted that closure of completed security assistance cases takes too long and may take years. DSCA tracks the number of cases closed, but not the time required to close them. In addition, DSCA officials noted that the individual implementing agencies track other case closure performance measures, but DSCA does not incorporate those performance measures into their oversight of the security assistance process.

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## Conclusions

Increasing global threats to U.S. interests abroad make the timely provision of U.S. assistance in building foreign partner capacity to address transnational threats vital to U.S. national security. Congress has created new programs to build partner capacity, and DOD has in turn created new procedures to implement those programs. DOD has recognized a number of challenges to managing its efforts to build foreign partner capacity and has ongoing reforms to address challenges associated with personnel training and workforce structure and with defining partner country needs. While DOD's reforms are addressing several challenges, existing information systems are not consistently populated with needed data. A lack of timely and accurate information for partners, combatant commands, and SCO staff on agreement and delivery status can delay assistance, impact the costs of fielding equipment and training, and may adversely affect U.S. relationships with partner countries. Without performance measures to monitor timeliness across all phases of the security assistance process—particularly acquisition, delivery, and case closure, which comprise some of the most time-consuming activities—DSCA cannot assess the results of reforms or inform Congress of their progress.

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## Recommendations for Executive Action

To improve the ability of combatant command and SCO officials to obtain information on the acquisition and delivery status of assistance agreements, we recommend that the Secretary of Defense establish procedures to help ensure that DOD agencies are populating security assistance information systems with complete data.

To improve the ability to measure the timeliness and efficiency of the security assistance process, we recommend that the Secretary of Defense take the following actions:

- establish a performance measure to assess timeliness for the acquisition phase of the security assistance process;
- establish a performance measure to assess timeliness for the delivery phase of the security assistance process; and
- establish a performance measure to assess timeliness for the case closure phase of the security assistance process.

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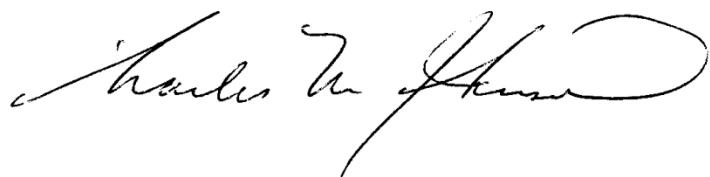
## Agency Comments and Our Evaluation

We provided a draft of this report to the Departments of State and Defense for comment. State elected not to provide comments on the draft report; DSCA concurred with the report's recommendations. DSCA stated that it would work with military departments to ensure that information systems are populated with acquisition and delivery status data and continue to promote the use of the EFTS. In addition, DSCA stated that it will work with the military departments to assess timeliness during the acquisition phase; establish performance measures for the delivery phase and encourage adherence to reporting in-country deliveries; and establish performance measures to assess the timeliness of case closure. DOD also provided technical comments, which we have incorporated as appropriate.

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We are sending copies of this report to appropriate congressional committees, the Secretary of Defense, and the Secretary of State. In addition, this report will be available at no charge on GAO's website at <http://www.gao.gov>.

If you or your staffs have any questions about this report, please contact me at (202) 512-7331 or [johnsoncm@gao.gov](mailto:johnsoncm@gao.gov). Contact points for our offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix IV.

A handwritten signature in black ink, appearing to read "Charles Michael Johnson, Jr."

Charles Michael Johnson, Jr.  
Director  
International Affairs & Trade

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*List of Committees*

The Honorable Carl Levin  
Chairman  
The Honorable John McCain  
Ranking Member  
Committee on Armed Services  
United States Senate

The Honorable Howard P. “Buck” McKeon  
Chairman  
The Honorable Adam Smith  
Ranking Member  
Committee on Armed Services  
House of Representatives

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# Appendix I: Objectives, Scope, and Methodology

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In response to a Senate Armed Service Committee mandate to review the Defense Security Cooperation Agency's (DSCA) program implementation processes, this report assesses the extent to which (1) Department of Defense (DOD) reforms address challenges that security cooperation officials face in implementing assistance programs and (2) DSCA performance measures indicate improvement in the timeliness of security assistance.

To describe the phases and participants in the traditional Foreign Military Sales (FMS) process and the pseudo-FMS process used for newer programs, we reviewed and summarized the *Security Assistance Management Manual* description of these processes and DSCA flow charts that illustrate the FMS process at varying levels of detail. We also met with DSCA officials and reviewed system documentation describing the functions of DSCA information systems. Our summary of the FMS and pseudo-FMS processes does not encompass all steps and actors that may be involved, such as technology releasability reviews that may be required for sensitive equipment. To describe newer building partnership capacity programs (BPC), we reviewed summaries of those programs in the *Security Assistance Management Manual*, previous GAO reports and appropriations and authorizing legislation creating the programs. Our review focuses on those security cooperation programs where DSCA plays a role, and it does not assess other security assistance programs implemented by the State Department or most DOD counternarcotics programs.

To assess the extent to which ongoing DOD security cooperation reforms address challenges that security cooperation officials face in implementing assistance programs, we compared security assistance implementation challenges to DOD reforms that are currently planned or in progress. To identify ongoing reform efforts, we reviewed the Security Cooperation Reform Phase I Report and analyzed its recommendations to identify those that required action by DSCA. To verify our analysis of DSCA's role in addressing the recommendations, we met with the director and deputy director of the Security Cooperation Reform Task Force and DSCA officials who participated in the Task Force or are involved in addressing the recommendations. We also met with DSCA's Acting Chief Performance Officer and the Manager of DSCA's Continuous Process Improvement Program to identify and describe DSCA-directed internal process reviews and requested and received documentation of these efforts.

To identify challenges to the implementation of security assistance, we conducted focus groups or interviews with security cooperation officials in the six geographic combatant commands and interviewed security cooperation officers in Security Cooperation Organizations (SCOs) in 17 countries. These officers manage DOD security cooperation programs under the guidance of the combatant commands. To select the 17 countries, we obtained data from DSCA regarding total value of transactions per fiscal year from 2006 to 2010 for each country benefitting from seven U.S. government-funded programs administered by DSCA: Foreign Military Financing; Section 1206; Peacekeeping Operations and the Global Peace Operations Initiative; Iraq Security Forces Fund; Afghanistan Security Forces Fund; Pakistan Counterinsurgency Fund; and Pakistan Counterinsurgency Capability Fund. We did not include the Global Security Contingency Fund as part of our data analysis because it was newly authorized in fiscal year 2012. We excluded International Military Education and Training in order to focus on equipment and equipment-associated training and because we had recently issued a report specifically assessing International Military Education and Training.<sup>1</sup>

We then selected three countries from each of the combatant commands for inclusion in our review based on those countries that received both the highest volume of assistance and received the widest diversity of programs. For Northern Command, however, we selected the only two countries within the combatant command's area of responsibility, Mexico and the Bahamas, which benefitted from one of these programs. For the remaining five geographic combatant commands, countries included in our review were: Africa Command: Djibouti, Ethiopia, and Tunisia; Central Command: Afghanistan, Iraq, and Pakistan; European Command: Albania, Romania, and Ukraine; Pacific Command: Bangladesh, Indonesia, and the Philippines; and Southern Command: Belize, the Dominican Republic, and Honduras.

Using questions tailored slightly for individual countries where appropriate, we interviewed the staff of SCOS in these 17 countries. We also interviewed officials at the military departments, and in the Office of the Secretary of Defense to further clarify these challenges and their effects. In addition, at the recommendation of security cooperation

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<sup>1</sup> GAO-12-123.

officials we interviewed at the combatant commands and DSCA, we also interviewed the staff of SCOs of two additional countries, Georgia and Yemen. These two SCOs each had experience with a specific program, the Coalition Readiness Support Program in Georgia and the new Global Security Contingency Fund program in Yemen.

Using a single facilitator and common set of questions, we conducted eight focus groups with more than 50 security cooperation officials at all geographic combatant commands except Northern Command. We conducted at least one focus group in each command and two in Pacific Command, Central Command, and Africa Command. For Northern Command, we conducted the discussion as a phone interview due to the small number of officials involved but used the same questions that we used with the focus groups. The focus group questions asked security cooperation officials to describe challenges they experienced in each phase of the security assistance process. For these sessions, we divided the process into: creating a case (beginning with the development of a letter or memorandum of request and ending with the finalization of a letter of offer and acceptance); approvals (including disclosure notification, technology transfer, Congressional notifications, and State Department concurrence); executing a case (including procurement or provision from DOD stock); delivery and case closure, and postdelivery sustainment in the form of training and spares. We requested that combatant commands identify focus group participants who would be able to speak about their experience implementing security cooperation at the combatant command as well as having responsibility for one or more of the 17 countries selected for SCO interviews. During the focus groups, the GAO facilitator wrote comments as they were made so that all focus group participants could see them and other GAO staff took notes documenting the discussion. No audio recordings were made.

GAO staff then consolidated the notes from each session and two GAO staff members independently summarized the challenges and common themes identified by each focus group and the Northern Command interview. The two independent staff members then met to resolve any discrepancies and agreed to a common set of 65 distinct challenges to the implementation of U.S. government-funded programs raised in the focus group discussions and the Northern Command interview. For additional analyses of the challenges, we counted which challenges were raised by more than one geographic combatant command. We then conducted a second round of coding. Two staff members independently analyzed the challenges and identified those that were within DSCA's purview and identified themes under which these challenges could be

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grouped. The two coders met to resolve any discrepancies and identified 20 challenges within DSCA's purview that were raised by more than one geographic combatant command. The coders grouped the challenges according to categories; along with 2 other challenges that did not fit these categories.<sup>2</sup> Additional challenges fall under the authority of government agencies other than DSCA, and others fall beyond the U.S. government's control. The focus group and interview results are not generalizable to all recipient countries but represent the experiences of security cooperation officials in all combatant commands for the countries with the highest transaction values. We also reviewed interviews with the SCOs to further document the challenges identified by focus group participants.

To determine the availability of data on the status of deliveries in process, we requested data on all deliveries from fiscal years 2007 to 2011 for the 17 countries and BPC programs in our sample from DOD's Enhanced Freight Tracking System. We then analyzed the extent to which data in the system were populated for key milestones in the delivery process from origin to final destination.

To identify the extent to which DSCA performance measures indicate improvement in the timeliness of security assistance, we reviewed DSCA performance measures reported at DSCA's Security Cooperation Business Forum and the discussion of these measures reflected in the minutes of these quarterly meetings. We met with DSCA officials and implementing agency officials to further understand these measures and the systems that implementing agencies have in place to track and report data to DSCA. We also inquired of DSCA's acting Chief Performance Officer whether there were any other performance measures routinely compiled for senior management review. We reviewed the additional measures provided and determined that these did not assess timeliness. We reviewed the first three quarterly forum reports for fiscal year 2012 to identify the current performance measures that exist for the five phases of the FMS process we identified in order to determine whether DSCA has data in that phase on the time required to complete it, and performance measures to assess the timeliness of the phase. We then analyzed these

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<sup>2</sup>See app. II for a complete list of the 20 challenges identified by more than two combatant commands.

data and measures to assess the extent that DSCA has performance measures that can be used to assess timeliness.

To determine the timeliness of the phases of the security assistance process, we summarized existing DSCA data reporting and performed additional analyses of DSCA source data. We also performed an independent analysis of the number of days spent by DSCA and implementing agencies developing security assistance agreements based on security assistance requests received from the 17 partner countries in our sample and for BPC programs for fiscal years 2007 through 2011. For this analysis we used data from the DSCA's Defense Security Assistance Management System. The system contains information regarding key milestone dates that can be used to assess timeliness of some aspects of the security assistance process. We determined the DSCA performance metrics and data were sufficiently reliable for our purposes by undertaking data reliability steps including reviewing system usage and documentation guidance; interviewing knowledgeable agency officials; conducting electronic and manual data testing to identify missing data, outliers, and obvious errors; and by reviewing internal controls. To determine the time to develop an agreement, we calculated the number of days between the date listed for "Customer Request Complete" and "Document Sent," in accordance with DSCA's method of measuring processing time from the time when a letter of request is complete until the release of the security assistance agreement to partner countries for signature. Using these data, we analyzed the time frames to develop agreements for BPC programs and traditional programs for the 17 sample countries. The results of our analysis may differ from overall DSCA timeliness metrics due to factors such as the type of equipment and training requested by sample partner countries and the quality of the assistance request submitted. The results of our work for the BPC programs and 17 countries in our sample are not generalizable to all countries receiving assistance.

We conducted this performance audit from November 2011 through November 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix II: Challenges Identified by Geographic Combatant Command Security Cooperation Officials

Between April and June 2012, GAO conducted eight focus groups with 50 security cooperation officials at all geographic combatant commands except Northern Command. For Northern Command, we conducted the discussion as an interview in June due to the small number of officials involved but used the same questions as for the focus groups. GAO analyzed the results and identified 65 distinct challenges to implementing security assistance programs, 20 of which were raised in two or more of the six commands and are within DOD's purview. GAO grouped these 20 challenges into four categories: U.S. training and workforce structure; U.S. ability to define partner country requirements; information on assistance security agreement status; and other challenges.

**Table 4: Challenges within DOD's Purview to Implementing Security Assistance Programs that Were Identified by Combatant Command Officials.**

Challenge	Africa Command	Central Command	European Command	Northern Command	Pacific Command	Southern Command
<b>U.S. training and workforce structure</b>	x		x		x	x
1. SCOs do not have sufficient staffing, limiting their effectiveness as they produce proposals, build relationships in-country, and track cases through to delivery.	x				x	
2. SCOs do not have sufficient training.		x		x	x	x
<b>U.S. ability to define partner country needs</b>	x		x	x	x	x
3. SCOs do not adequately define requirements when assisting with the preparation of letters or memorandums of request.			x	x	x	x
4. Senior U.S. officials who are not Foreign Military Sales experts (such as Defense Attachés) do not understand the process and may create unrealistic partner country expectations.	x		x		x	x
<b>Information on assistance security agreement status</b>	x	x	x	x	x	x
5. The Theater Security Cooperation Management Information System currently provides an insufficient common operating picture of all security cooperation activities.	x				x	
6. The Security Cooperation Information Portal is not user friendly and requires training partner countries may not have received/have access to.			x			x
7. The Security Cooperation Information Portal is not user friendly and requires training U.S. personnel may not have received.			x			x
8. DSCA staff are insufficiently responsive to requests for detailed information or for reliable resources for such information.	x				x	

**Appendix II: Challenges Identified by  
Geographic Combatant Command Security  
Cooperation Officials**

<b>Challenge</b>	<b>Africa Command</b>	<b>Central Command</b>	<b>European Command</b>	<b>Northern Command</b>	<b>Pacific Command</b>	<b>Southern Command</b>
9. Implementing agency processes and systems vary, which requires additional work by combatant command staff.					X	X
10. Combatant commands lack sufficient information about the letter of request case history, such as access to a copy of the letter for reference.	X			X		
11. Inaccurate cost estimates lead to the cancellation or reductions in scope of a case.	X		X			
12. Combatant commands lack sufficient updates regarding DSCA and the implementing agencies' development of letters of offer and acceptance.	X	X			X	
13. Combatant commands have insufficient information on the status of cases in execution.			X		X	X
14. There is limited ability to track equipment shipments.	X				X	
15. U.S. and partner countries communication and planning for equipment delivery are insufficient.	X				X	
16. Items are delivered to the wrong address.	X	X			X	
17. Deliveries arrive without advance notice.	X				X	
18. Deliveries do not have sufficient customs and other shipping documentation.				X		X
<b>Other challenges</b>						
19. Case closure is too slow and residual funds that could be used to fill additional requirements are left unused.	X	X	X		X	X
20. Small dollar value cases receive insufficient attention.		X				X

Source: GAO analysis of focus group results.

# Appendix III: Comments from the Department of Defense



DEFENSE SECURITY COOPERATION AGENCY  
201 12<sup>th</sup> STREET SOUTH STE 203  
ARLINGTON VA 22202-5408

NOV 8 2012

Mr. Charles M. Johnson, Jr.  
Director, International Affairs and Trade  
U.S. Government Accountability Office  
441 G Street, NW, Washington, DC 20548

Dear Mr. Johnson:

Attached is the Department of Defense (DoD) response to the October 10, 2012, Government Accountability Office (GAO) Draft Report, GAO-13-84, "SECURITY ASSISTANCE: DoD's Ongoing Reform Address Some Challenges, but Additional Information Is Needed to Further Enhance Program Management" (GAO Code 320878) for your review and consideration.

DoD has reviewed the report and concurs with all the recommendations. However, we found some areas that were not technically accurate and have attached our comments.

If you have any additional questions or need clarification on the technical comments, please contact Mr. Kidd Manville at (703) 604-6594 or kidd.manville@dsca.mil.

Sincerely,

A handwritten signature in black ink, appearing to read "William E. Landay III".  
William E. Landay III  
Vice Admiral, USN  
Director



**GAO DRAFT REPORT DATED OCTOBER 10, 2012  
GAO-13-84 (GAO CODE 320878)**

**"SECURITY ASSISTANCE: DOD'S ONGOING REFORMS ADDRESS  
SOME CHALLENGES, BUT ADDITIONAL INFORMATION IS NEEDED  
TO FURTHER ENHANCE PROGRAM MANAGEMENT"**

**DEPARTMENT OF DEFENSE COMMENTS  
TO THE GAO RECOMMENDATIONS**

**RECOMMENDATION 1:** To improve the ability of combatant command and U.S. Security Cooperation Organization (SCO) officials to obtain information on the acquisition and delivery status of assistance agreements, the GAO recommends that the Secretary of Defense establish procedures to help ensure that DoD agencies are populating security assistance information systems with complete data.

**DoD RESPONSE:** Concur. DSCA will work with each of the Military Departments to determine procedures for ensuring that information systems are populated with acquisition and delivery status data. DSCA is collaborating with Defense Contract Management Agency and U.S. Army's Acquisition Contracting Command to extract acquisition data of assistance agreements from their systems to the Security Cooperation Information Portal (SCIP). DSCA will continue to promote the use of the Enhanced Freight Tracking System (EFTS) to our partner nations and encourage their freight forwarders to export transportation data to EFTS. DSCA will also research more efficient ways for Security Cooperation Organizations to report delivery receipts in EFTS.

**RECOMMENDATION 2:** To improve the ability to measure the timeliness and efficiency of the security assistance process, the GAO recommends that the Secretary of Defense to establish a performance measure to assess timeliness for the acquisition phase of the security assistance process.

**DoD RESPONSE:** Concur. DSCA will work with the Military Departments to develop performance measures to assess timeliness during the acquisition phase of case execution. DSCA will use its various business forums to establish this measurement and track the performance.

**RECOMMENDATION 3:** To improve the ability to measure the timeliness and efficiency of the security assistance process, the GAO recommends that the Secretary of Defense to establish a performance measure to assess timeliness for the delivery phase of the security assistance process.

**DoD RESPONSE:** Concur. DSCA will establish performance measures to assess timeliness of the delivery phase of the security assistance process. DSCA will collaborate with Military Departments and U.S. Transportation Command to encourage adherence to reporting in-country deliveries. DSCA will continue to promote the use of the Enhanced Freight Tracking System (EFTS) to our partner nations and encourage their freight forwarders to export transportation data to EFTS. DSCA will also research more efficient ways for Security Cooperation Organizations to report delivery receipts in EFTS.

**RECOMMENDATION 4:** To improve the ability to measure the timeliness and efficiency of the security assistance process, the GAO recommends that the Secretary of Defense to establish a performance measure to assess timeliness for case closure phase of the security assistance process.

**DoD RESPONSE:** Concur. DSCA will establish appropriate performance measures to assess timeliness for the case closure phase and will work with the Military Departments to encourage adherence. DSCA will use its various business forums to establish this measurement and track the performance.

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# Appendix IV: GAO Contact and Staff Acknowledgments

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## GAO Contact

Charles Michael Johnson, Jr., 202-512-7331, or [johnsoncm@gao.gov](mailto:johnsoncm@gao.gov)

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## Acknowledgments

In addition to the contact named above, James B. Michels, Assistant Director; Kathryn Bolduc; Martin DeAlteriis; Karen Deans; Katherine Forsyth; Mary Moutsos; Michael Silver; and Michael Simon made key contributions to this report. C. Etana Finkler provided additional technical assistance.

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# Related GAO Products

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*State Partnership Program: Improved Oversight, Guidance, and Training Needed for National Guard's Efforts with Foreign Partners.* [GAO-12-548](#). Washington, D.C.: May 15, 2012.

*Security Force Assistance: Additional Actions Needed to Guide Geographic Combatant Command and Service Efforts.* [GAO-12-556](#). Washington, D.C.: May 10, 2012.

*Humanitarian and Development Assistance: Project Evaluations and Better Information Sharing Needed to Manage the Military's Efforts.* [GAO-12-359](#). Washington, D.C.: February 8, 2012.

*Persian Gulf: Implementation Gaps Limit the Effectiveness of End-Use Monitoring and Human Rights Vetting for U.S. Military Equipment.* [GAO-12-89](#). Washington, D.C.: November 17, 2011.

*International Military Education and Training: Agencies Should Emphasize Human Rights Training and Improve Evaluations.* [GAO-12-123](#). Washington, D.C.: October 27, 2011.

*Foreign Police Assistance: Defined Roles and Improved Information Sharing Could Enhance Interagency Collaboration.* [GAO-11-860SU](#). Washington, D.C.: May 9, 2012.

*International Affairs: Accountability for U.S. Equipment Provided to Pakistani Security Forces in the Western Frontier Needs to Be Improved.* [GAO-11-156R](#). Washington, D.C.: February 15, 2011.

*Defense Exports: Reporting on Exported Articles and Services Needs to Be Improved.* [GAO-10-952](#). Washington, D.C.: Sep 21, 2010.

*Persian Gulf: U.S. Agencies Need to Improve Licensing Data and to Document Reviews of Arms Transfers for U.S. Foreign Policy and National Security Goals.* [GAO-10-918](#). Washington, D.C.: September 20, 2010.

*International Security: DOD and State Need to Improve Sustainment Planning and Monitoring and Evaluation for Section 1206 and 1207 Assistance Programs.* [GAO-10-431](#). Washington, D.C.: April 15, 2010.

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*Stabilizing Iraq: DOD Cannot Ensure That U.S.-Funded Equipment Has Reached Iraqi Security Forces.* [GAO-07-711](#). Washington, D.C.: July 31, 2007.

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